

## TOPIC 1: INTRODUCTION TO PAY FOR AGENCIES

In this topic, a review of the process to establish pay will be presented. In addition, an overview of pay calculations, special pay processes, payroll adjustment processes, FLSA, and Labor Redistribution will be discussed. Inquiries that contain information helpful in pay analysis and processing will be reviewed.

**At the end of this topic, you will be able to:**

- Discuss how pay is established in SAM II HR/Payroll
- Discuss how pay is calculated
- Discuss Special Pay, Payroll Adjustment, FLSA, and Labor Redistribution
- Identify inquiries useful in analysis of pay



## ESTABLISHMENT OF PAY

### POSITION STATUS MAINTENANCE

- Establishes Initial Pay Parameters and Labor Distribution Profiles or Accounting Attributes

### EMPLOYMENT STATUS MAINTENANCE

- Ties Employee to a Position
- Establish On-Going Special Pay Events

### AGENCY SPECIFIC & ACCOUNTING DATA

- Establishes Labor Distribution Profiles or Accounting Attributes that Override the Position

### EMPLOYEE TAXES

- Establishes Tax Withholdings for the Employee.

### BENEFITS/DEDUCTIONS

- Establishes Benefits and Deductions for the Employee.

### TIMESHEETS

- Establishes exceptions such as leave for exception-paid employees
- Establishes compensated hours for positive paid employees.
- Establishes Labor Distribution Profile or Accounting Attributes to be Overridden at the Employee and Position level.



## ESTABLISHMENT OF PAY

### Position Information

Pay is first established at the Position level through the Position Status Maintenance (PSMT) transaction. The PSMT establishes the initial pay parameters and accounting information for pay.

### Employee Information

Employees must be tied directly to a position through the Employee Status Maintenance (ESMT) transaction. All pay information from the position is inferred to the ESMT. On-Going Special Pay Event codes are also established on the ESMT.

Information effecting the accounting distribution of pay can be overridden using the Agency Specific and Accounting Data (AGYS) transaction. This can be done by using either an established Labor Distribution Profile or by entering the accounting attributes.

### Deductions and Benefits

Employee Tax withholdings are established through the Tax (TAX) window.

Employee Deductions and Benefits are established using the various transactions (SAVB and MISC). In addition, employer contributions are also linked to the employee through the establishment of benefits (ENRL).

### Timesheets

Timesheets are used to capture exceptions such as vacation, sick, holiday, or additional hours for exception paid employees. In addition, all worked or compensated hours for positive paid employees must be entered using a timesheet. The accounting information can be overridden at the timesheet level using either a Labor Distribution Profile or by entering the accounting attributes.

Remember, the SAM II HR/Payroll System looks first at the Timesheet, then at the AGYS, then at the PSMT to determine how to “charge” pay back to an agency.



## **PAY CALCULATIONS: STANDARD PAY PERIOD HOURS**

In order to pay employees consistently, standard pay period hours have been established as 86.667 pay hours per pay period.

### **FORMULA**

**2080 hours divided by 24**

$$\begin{aligned} &= 2080 \text{ annual work hours} \\ &/ 24 \text{ semi-monthly pay periods} \\ &= 86.667 \text{ standard pay hours per pay period} \end{aligned}$$



## PAY CALCULATIONS

Pay is calculated by the SAM II HR/Payroll System using Standard Pay Period Hours of 86.667 for exception paid employees. This ensures that paychecks reflect a standard pay amount from pay period to pay period. Changes in employee status, pay rate, or movement from exception paid to positive paid (or vice versa) can impact the standard pay amount. The formula for determining the Standard Pay Period hours follows:

### FORMULA

2080 hours divided by 24

= 2080 annual work hours

/ 24 semi-monthly pay periods

= 86.667 standard pay hours per pay period

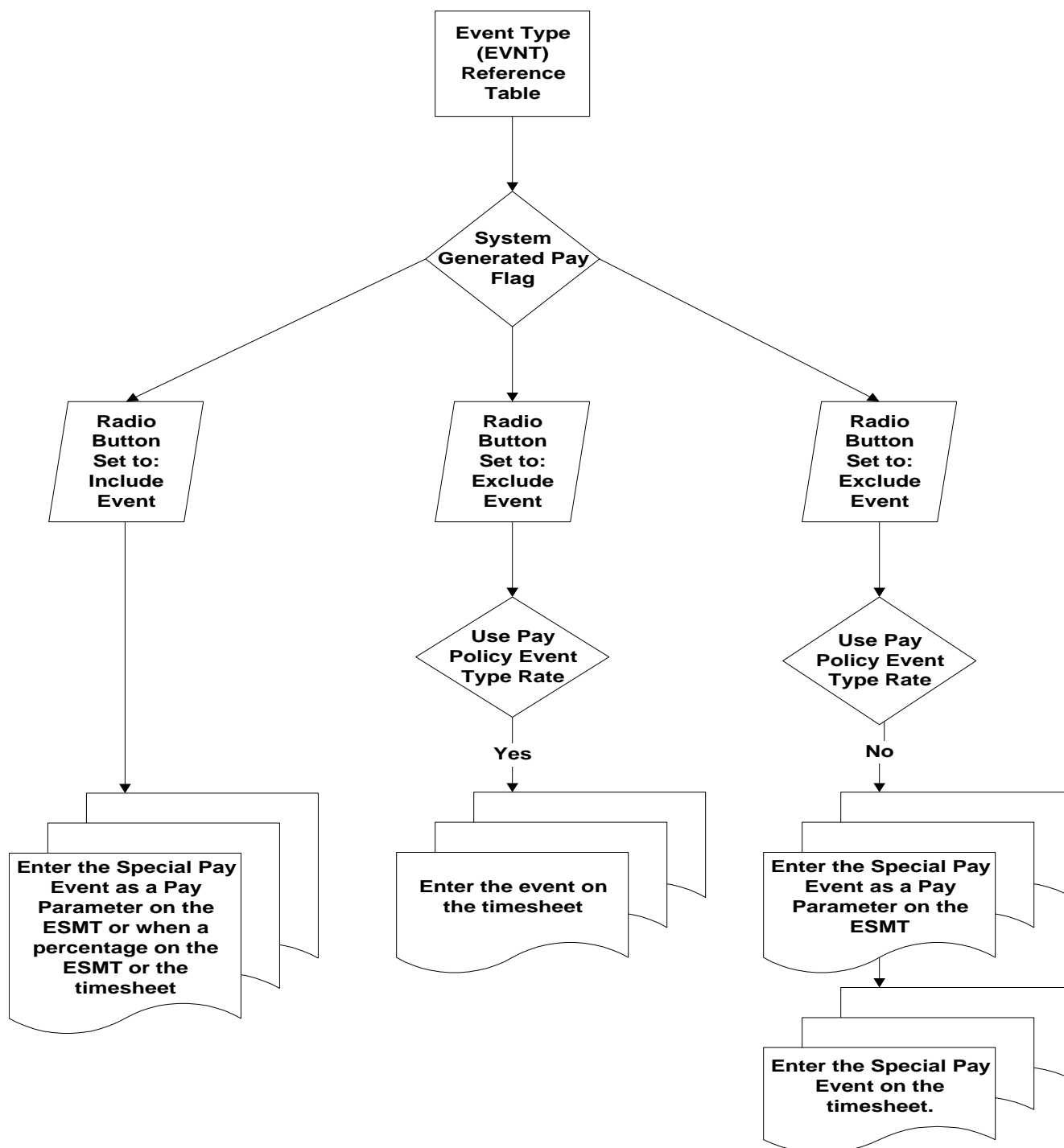
Pay is established on the ESMT using the annualized Standard Pay Period Hours and is not impacted by changes in the pay period activity. However, for timesheets, pay is established based upon hours entered into a timesheet. That is why you can have variations in pay amounts for exception paid employees when you have certain types of changes during a pay period.

The Time-to-Gross and Gross-to-Net processes retrieve information from Timesheets and process pay based upon numerous parameters set up in the system.

Pay Classes have been established for Statutory Employees that use different Standard Pay Period hours. Statutory Employees are paid for 24 hours a day 7 days a week; therefore their Standard Pay Period Hours are 365 (365 days X 24 hours = 8760 hours; 8760 hours / 24 pay periods = 365 hours per pay period). Daily Pay Period hours would be 24.



## SPECIAL PAY PROCESS FLOW





## SPECIAL PAY

The special pay events that are available to employees of the State of Missouri (according to the employee's Pay Policy) are listed below:

Tower Climb Differential; Shift Differential; Board Certification; Security Differential; Dispensing Meds; Emergency; E-Squad; Exam Monitor; On Call; Extra Road Work; Emergency Response - Phone; Emergency Response – Pager.

### **On-Going Special Pay**

For employees who receive special pay on a regular basis (every pay period), the SAM II HR/Payroll System establishes those employees with a standard rate. This standard rate is entered on the employee's ESMT as either a dollar amount or a percent. The system automatically generates the employee's base pay as well as the special pay event. No timesheet entries are required.

### **Intermittent Special Pay**

However, employees who receive intermittent special pay require a timesheet entry(s) for the hours worked for the special pay. The CPER looks at the amount of special pay established on the ESMT or the percent established on the Pay Event Type (PPET) window and calculates the amount of the hours worked to the employee's paycheck. (Example: An employee worked 40 hours on the day shift the first week of a pay period and 40 hours on the night shift the second week of a pay period. The system generates the employee's base pay and the entered timesheet generates 40 hours of shift differential pay.



## **PAYROLL ADJUSTMENTS**

- **One-Time Payment (1PAY)**
- **Overload Payment Generator (OPAY)**
- **Retroactive Pay Trigger (RTRG)**
- **Check Disposition (CHCK)**
- **Mass Change Requests for One-Time Transactions (MAS3)**
- **Pending Payment (PEND)**





## PAYROLL ADJUSTMENTS

In the SAM II HR/Payroll System, the authorization for making payroll adjustments is shared. Adjustments that may be made to an employee's time and attendance are done by the agencies while adjustments made to an employee's pay is done at the Office of Administration/Division of Accounting. These adjustments do not change an employee's permanent record. Instead, they affect an employee's record only for the specified pay period or pay periods. Payroll adjustments in the SAM II HR/Payroll System are processed on a variety of different windows depending upon the type of adjustment. These windows are:

**One-Time Payment (1PAY)** - This window is used to make a special "one-time" only payment to an employee. The 1PAY is used to process employee pay-backs (used in the situation where the employee needs to pay money back to the state) and employee back-pays (used in the situation where the state owes an employee an additional payment).

**Overload Payment Generator (OPAY)** - This window provides an easy to use facility to take a single calculated payment, and divide it over multiple payroll periods. The OPAY is used for employee pay backs. If an employee can't afford to pay the state back in one lump sum, it is possible to divide the payment over multiple pay periods.

**Retroactive Pay Trigger (RTRG)** - This window is used to automatically generate retroactive pay triggers and enter manual triggers when necessary.

**Check Disposition (CHCK)** - This window provides the functionality that allows for replacement of incorrect, canceled, or lost checks.

**Mass Change Requests for One-Time Transactions (MAS3)** - This window provides the functionality for processing employee back-pays and employee pay-backs for many employees at one time.

**Pending Payment (PEND)** - This window allows the Office of Administration / Division of Accounting to approve or hold a pending payment for an employee.



## NOTES



## FLSA

The State of Missouri will utilize the automated FLSA Processing functionality within the SAM II HR/Payroll System. This functionality provides the capability to automatically determine if an employee has worked over 40 hours in a 7-day FLSA period, 80 hours in a 14-day FLSA period, or 171 hours (for police personnel) in a 28-day FLSA period. The SAM II HR/Payroll System will automatically calculate this during each payroll process based on the employee's time and leave data reported for that specific pay period.

### SAM II HR/Payroll System FLSA Tables

The following tables deal with the control, management, maintenance, and calculation of leave, pay, and overtime as established in the federal FLSA guidelines.

FLSA Hours (FLHR)	This table stores codes that associate the number of days in a FLSA cycle with the maximum number of hours to be charged at the regular rate.
FLSA Profile (FLPR)	This table stores FLSA plans, including FLSA pay types and information required to accrue compensatory time in lieu of overtime pay.
FLSA Work Cycle (FLWK)	<p>This table stores codes which define different FLSA work cycles.</p> <p><b><u>Missouri Work Cycles &amp; FLWK Descriptions</u></b></p> <ol style="list-style-type: none"> <li><b>1. 14 80 = 14 Days 80 Hours Sun-Sat (hospital and residential care establishment employee)</b></li> <li><b>2. 28 Day = 28 Day Cycle Sun-Sat (fire protection and law enforcement personnel – including security personnel in correctional institutions.</b></li> <li><b>3. 7 Day = 7 Day Cycle Sun-Sat</b></li> <li><b>4. 7 Day = 7 Day Cycle Sat-Fri</b></li> <li><b>5. 7 Day = 7 Day Cycle Fri-Thur</b></li> </ol>



## NOTES



## NOTES



## **PAY RELATED INQUIRIES**

- **Employee Deductions Parameters (QDPM)**
- **Employee Deduction Summary (QDSM)**
- **Pending Deduction (PDED)**
- **Issued Checks/Advices (QISS)**
- **Payroll Check Status (QCHK)**
- **Payroll Summary (QPYR)**
- **Employee Pay Summary (QPSM)**
- **Employee Roster by Pay Location (QXR5)**
- **Employment Status Maintenance Log Detail (QESD)**
- **Employee Pay Rate History (QRTE)**
- **Employment Verification (QVER)**



## PAY RELATED INQUIRIES

Inquiries are available on-line in the system and are updated after a transaction has been processed. Usually, this update occurs immediately after processing of the transaction is completed.

Like other areas of the SAM II HR/Payroll System, Pay for Agencies has several special purpose windows that function solely as inquiries. These inquiries can be used by management to look up specific information regarding an employee's pay rate, deduction, and check history. Some of these inquiries contain cross-reference information taken from several tables, which allows you to see highlights or information pertaining to a specific topic without having to open additional windows.

Let's review some common inquiries related to pay.

- **Employee Deductions Parameters (QDPM)** – Lists all deductions for a selected employee. Deduction information includes effective dates and descriptions of the deduction type and plan. It also includes the amount or rate of the deduction and frequency with which the deduction is taken.
- **Employee Deduction Summary (QDSM)** – Lists the annual and quarterly deduction amounts for each deduction category an employee is associated with.
- **Pending Deduction (PDED)** – Displays the deductions pending for an employee, to define the type of cycle in which the deduction is picked up, and whether this deduction should replace a permanent deduction.
- **Issued Checks/Advices (QISS)** – Displays all issued checks/advices for a selected employee. Each issued check/advice is displayed on a separate detail line. Summary pay information, such as gross pay, deductions, and net pay, is displayed for each issued check/advice.
- **Payroll Check Status (QCHK)** – Displays a summary level of check or Electronic Funds Transfer (EFT) information which includes check number, bank account, bank name, payroll number, check/Electronic Funds Transfer (EFT) date, status and status date; total pay, total deductions, net pay amount of included FICA wages, and fringe benefits. It also displays the paycheck details which include codes for pay and deduction types and plans.



## **PAY RELATED INQUIRIES**

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## PAY RELATED INQUIRIES

- **Payroll Summary (QPYR)** – Displays pay, deduction, and subject gross summaries that appear on a specified report for an employee. The summaries to be included on this inquiry are defined on the Tax Reporting (TAXR) window.
- **Employee Pay Summary (QPSM)** – Displays an employee's wages during a specified time period.
- **Employee Roster by Pay Location (QXR5)** – Displays a list of all employees and basic information for each employee sorted by Pay Location code.
- **Employment Status Maintenance Log Detail (QESD)** – Displays all changes made to an employee's Employment Status Maintenance data including the employee's most current change to the Employment Status Maintenance (ESMT) window followed by previous changes listed in reverse chronological order.
- **Employee Pay Rate History (QRTE)** – Displays detailed pay and grade level status information for an employee. The employee's pay progression can be tracked since current and historical information is displayed on this window.
- **Employment Verification (QVER)** - Displays a summary of employee data entered in the Employment Status Maintenance (ESMT), Employee Address Maintenance (ADDR) and Employee Attribute (ATTR) window.



## NOTES